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No. 907

KARNATAKA LEGISLATIVE ASSEMBLY

NOTIFICATION

No. 14645 L.A. Dated 31st March 1975

The following Bill was introduced in the Legislative Assembly on 31st March, 1975.

THE KARNATAKA MOTOR VEHICLES (TAXATION ON PASSENGERS AND GOODS) (AMENDMENT) BILL, 1975.

(L.A. Bill No. 18 of 1975)

A Bill further to amend the Karnataka Motor Vehicles (Taxation on Passengers and Goods) Act, 1961 ;

Whereas it is expedient further to amend the Karnataka Motor Vehicles (Taxation on Passengers and Goods) Act, 1961 (Karnataka Act 10 of 1961) for the purposes hereinafter appearing ;

Be it enacted by the Karnataka State Legislature in the Twenty-sixth year of the Republic of India as follows:—

1. **Short title and commencement.**—(1) This Act may be called the Karnataka Motor Vehicles (Taxation on Passengers and Goods) (Amendment) Act, 1975.

(2) It shall come into force on the First day of April, 1975.

2. **Insertion of new sections 3A and 3B.**—After section 3 of the Karnataka Motor Vehicles (Taxation on Passengers and Goods) Act, 1961 (Karnataka Act 10 of 1961), the following section shall be inserted, namely :—

"**3A. Levy of surcharge.**—(1) In addition to the tax payable under section 3 or the composition fee payable under section 14 there shall be levied and paid a surcharge at the rate of ten per centum of such tax or the composition fee, as the case may be.

(2) The provisions of this Act and the rules made thereunder shall, so far as may be, apply in relation to the levy and payment of surcharge under sub-section (1) as they apply in relation to levy and payment of the tax or the composition fee under this Act :

Provided that where an operator has been permitted under section 14 to pay a fee by way of composition for a period commencing from the first day of April, 1975 then notwithstanding such composition the surcharge under sub-section (1) shall be paid within ten days from the said date.

(3) The provision of sub-section (3) of section 3 shall **mutatis mutandis** apply to the surcharge leviable and payable under sub-section (1).

3B. Surcharge to be credited to Roads and Bridges Fund.—(1) The amount of surcharge collected under section 3A shall first be credited to the Consolidated Fund of the State and under appropriation duly made by law in this behalf, be entered in and transferred to the Karnataka Roads and Bridges Fund constituted under the Karnataka Motor Vehicles Taxation Act, 1957.

(2) Any amount transferred to the said Fund under sub-section (1) shall be charged on the Consolidated Fund of the State."

DECLARATION UNDER THE KARNATAKA PROVISIONAL COLLECTION OF TAXES ACT, 1974.

It is hereby declared that it is expedient in the public interest that the provisions of clause 2 of this Bill shall have immediate effect under the Karnataka Provisional Collection of Taxes Act, 1974 (Karnataka Act 2 of 1974).

STATEMENT OF OBJECTS AND REASONS

In order to improve and develop roads and bridges in the Karnataka State, it is proposed to raise funds by levy of surcharge on all fares and freights paid by passengers, luggage and goods carried by Stage Carriages, Contract Carriages and Public Carriages payable to the operators of Stage Carriages, Contract Carriages and Public Carriers.

Hence the Bill

M. MOHAMMED ALI.

Te. Hanumanthappa,
Secretary.

ANNEXURE

Extracts from the Karnataka Motor Vehicles (Taxation on Passengers and Goods) Act, 1961 (Karnataka Act 10 of 1961)

3. Levy of tax on passengers and goods.—(1) On and from the date of the commencement of this Act, there shall be levied and paid to the State Government a tax—

(i) On all passengers, luggage and goods carried by stage carriages, at such rate as would yield an amount equal to twenty percentum of the amount of fares and freights payable to the operators of a stage carriage :

Provided that if the operator levies and collects from the passengers fares and freights inclusive of the tax under this sub-section, the operator shall pay to the State Government on account of the tax, one sixth of the total amount of fares and freights inclusive of tax collected by him from the passengers ; and

(ii) on all goods transported by public carrier vehicles at the rate of ten paise in the rupee on the freights payable to the operator of a public carrier vehicle :

Provided that if the operator levies and collects in respect of any goods transported freights inclusive of the tax under this sub-section, the operator shall pay to the State Government on account of the tax, 9.5 per cent of the total amount of freights inclusive of tax collected by him :

Provided further that in respect of passengers, luggage or goods carried partly by rail and partly road, the tax shall be in respect of the fare and freight chargeable for the distance covered by road only ;

Provided also that and tax shall be payable under this Act on goods carried by Departmental vehicles owned by the Central Government including the Railways.

Explanations.—(1) When passengers are carried and goods are transported by a motor vehicle and no fare or freight has been charged,

the tax shall be levied and paid as if such passengers were carried or goods tranported at the normal rate prevalent on the route.

(2) Where any fare or freight charged is a lumpsum paid by a person on account of a season ticket or as subscription or contribution for any privilege, right or facility which is combined with the right of such person being carried or his goods transported by a motor vehicles, without any further payment or at a reduced charge the tax shall be levied on the amount of such lumpsum or on such amount as appears to the prescribed authority to be fair and equitable having regard to the fare or freight fixed by a competent authority under the Motor Vehicles Act, 1939.

(1A) Where passengers, luggage or goods are carried by stage carriages or public carrier vehicles from any place outside the State to any place within the State or from any place within the State to any place outside the State, or from any place outside the State to any place outside the State of Karnataka, or from any place within the State to any other place within the State through the intervening territory of any other State the tax shall be payable in respect of the fares and freights chargeable for the distance covered within the State at the rate laid down in sub-section (1).

(2) In the case of passengers, luggage and goods carried by stage carriages and goods vehicles in respect of which any reciprocal arrangement relating to taxation has been entered into between the Government of Karnataka and any other State Government, the levy and payment of tax shall, notwithstanding anything contained in this Act, be in accordance with terms and conditions of such reciprocal arrangement :

Provided that the tax leviable and payable under any such arrangement shall act exceed the tax leviable and payable under this Act :

Provided further that the terms and conditions of every such reciprocal arrangement shall be published in the official Gazette and a copy thereof shall be laid before both Houses of the State Legislature.

(3) In the determination of the amount of tax leviable and payable under this Act, fraction of a naya paise less than half a

naya paise shall be disregarded and fraction of a naya paise equal to or, exceeding half naya paise shall be regarded as one naya paise.

x x x

17. Composition of offences.—(1) The Tax officer may, either before or after the institution of proceedings for any offence punishable under section 15, accept from any person charged with such offence by way of composition of the offence, where the offence charged consists of the evasion of the tax, a sum of money not exceeding double the amount of the tax recoverable, in addition to the amount of tax so recoverable; and in other cases, a sum of money not exceeding two hundred and fifty rupees.

(2) On payment of such sum as may be determined by the Tax Officer under sub-section (1), no further proceedings shall be taken against the accused person in respect of the same offence.

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